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MONTANA STATE LOTTERY

REPORT ON
MONTANA CASH DRAWINGS

JUNE 30, 2001

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MONTANA STATE LOTTERY

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MONTANA CASH DRAWINGS

JUNE 30, 2001

Henry Fenton
Certified Public Accountant

CONTENTS

PAGE

Transmittal Letter from the Legislative Audit Division ---------- 1

Listing of the Commission Members and Administrative Officials ---------- 2

Introduction ---------- 3

Background ---------- 3

Reportable Observations ---------- 3

Independent Accountant's Report on Applying Agreed-Upon Procedures ---------- 4 and 5

Statement of Montana Cash Winning Numbers ---------- 6 to 8

LEGISLATIVE AUDIT DIVISION

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Deputy Legislative Auditors:
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Tori Hunthausen, IS Audit & Operations
James Gillett, Financial-Compliance Audit

October 2001

The Legislative Audit Committee
of the Montana State Legislature:

Enclosed is the report on the audit of the Montana State Lottery Observations for the year ended June 30, 2001.

The audit was conducted by Henry Fenton, CPA, under a contract between the firm and our office. There are no recommendations in this report.

Respectfully submitted,

Scott A. Seacat
Legislative Auditor

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MONTANA STATE LOTTERY
COMMISSION MEMBERS AND ADMINISTRATIVE OFFICIALS
June 30, 2001

COMMISSION MEMBERS	RESIDENCE
Robert Crippen, Chairperson	Butte
Carol Thomas	Great Falls
Bob Lake	Hamilton
Cliff Brophy	Columbus
Thomas M. Keegan	Helena

ADMINISTRATIVE OFFICIALS

Gerald J. LaChere, Director

L. John Onstad, Director of Security

MONTANA STATE LOTTERY

INTRODUCTION

I performed the following agreed-upon procedures for the Montana State Lottery for the year ended June 30, 2001:

1) witnessing and reporting on all Montana Cash drawings;

2) examining all lottery drawing equipment prior to and after each drawing; and

3) testing compliance with applicable statutes and regulations.

BACKGROUND

The Montana State Lottery was created in November, 1986 by a referendum vote of the people of Montana. The "Montana State Lottery Act of 1985" rules and subsequent changes are contained in Chapter 669 of the Montana Session Laws and Title 23, Chapter 7, of the Montana Code Annotated. The general purpose of the law is to allow lottery games in which the players purchase from the State, through the administration of the state lottery, a chance to win a prize.

REPORTABLE OBSERVATIONS

In addition to the independent accountant's report on agreed-upon procedures, I am to report on serious inadequacies in operating controls and procedures, activities not authorized by the legislature, and my recommendations to the State and the Lottery. I have nothing to report in those areas.

HENRY FENTON
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 30, 2001

To the Commissioners
Montana State Lottery
Helena, Montana

I have performed the procedures enumerated below, which were agreed to by the Montana State Lottery and the Montana Legislative Audit Division with respect to the Montana Cash drawings of the Montana Lottery for the year ended June 30, 2001. The Montana State Lottery is responsible for the Montana Cash drawing. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures were designed to review the applicable rules as developed by the Montana State Lottery to determine that such rules are adequate to insure:

All drawings are conducted in accordance with applicable rules and regulations.

All drawings are conducted in a secure, honest and fair manner.

The procedures I performed and my findings are summarized as follows:

1. I read the "Montana Cash Drawing Procedures". In performing this and other steps of my procedures, I gave consideration to the adequacy of controls over the drawing process.

2. I observed the unlocking of the machine cabinet and determined that the seals on the machine cabinet door, ball locker, and ball sets were unbroken and that the seals were numbered the same as the seals placed there when I was last present.

3. I observed the random selection of the primary and back-up drawing machines and the primary and alternate ball sets.

4. I observed the pre-drawing tests, recorded the results and determined that the applicable procedures were followed.

5. I observed the official "Montana Cash" drawings and determined that the applicable procedures were followed.

6. I observed the performance of the post-drawing tests, recorded the results and determined that the applicable procedures were followed.

7. I observed the resealing of the ball sets, ball locker and machine cabinet door.

I have furnished the Legislative Audit Division with a summary letter after each drawing stating that the Montana Cash drawings were performed and observed by me. The letters would include any unusual occurrences or deviations from the established rules and procedures.

No exceptions were found as a result of applying the above procedures.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Montana Cash drawing procedures for the year ended June 30, 2001. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Montana Lottery and the Montana Legislative Audit Division and is not intended to be and should not be used by anyone other than these specified parties.

Henry Fenton
Certified Public Accountant

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS
Year Ended June 30, 2001

The following Montana Cash drawings were held twice a week, Wednesdays and Saturdays, at Lottery Headquarters, Helena, Montana. The winning numbers were:

DATE	WINNING NUMBERS				
July 1, 2000	12	26	10	19	1
July 5, 2000	23	17	4	21	20
July 8, 2000	3	20	15	6	10
July 12, 2000	10	36	24	11	14
July 15, 2000	6	30	33	7	18
July 19, 2000	32	13	18	25	14
July 22, 2000	12	23	31	15	36
July 26, 2000	34	6	27	13	12
July 29, 2000	36	22	19	20	12
August 2, 2000	14	34	28	29	27
August 5, 2000	31	21	34	37	18
August 9, 2000	7	36	29	27	10
August 12, 2000	26	32	11	4	29
August 16, 2000	26	10	30	9	8
August 19, 2000	30	2	1	3	24
August 23, 2000	30	3	20	18	15
August 26, 2000	29	20	30	1	2
August 30, 2000	20	10	7	27	8
September 2, 2000	1	7	31	4	24
September 6, 2000	14	3	35	19	22
September 9, 2000	21	31	7	23	20
September 13, 2000	17	23	16	36	5
September 16, 2000	22	3	10	11	25
September 20, 2000	19	25	14	8	20
September 23, 2000	19	15	9	24	36
September 27, 2000	17	1	25	26	6
September 30, 2000	17	14	9	8	3
October 4, 2000	17	28	16	25	21
October 7, 2000	34	8	1	37	4
October 11, 2000	14	20	33	11	31
October 14, 2000	25	17	34	29	33
October 18, 2000	20	16	36	23	19
October 21, 2000	28	33	17	7	21
October 25, 2000	29	12	17	16	18
October 28, 2000	13	29	30	26	1
November 1, 2000	11	1	17	22	29
November 4, 2000	32	27	22	35	2

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS (CONTINUED)
Year Ended June 30, 2001

November 8, 2000	18	33	3	5	9
November 11, 2000	15	26	21	11	30
November 15, 2000	1	24	37	10	7
November 18, 2000	37	28	23	11	20
November 22, 2000	5	21	24	25	30
November 25, 2000	12	25	34	16	21
November 29, 2000	9	16	22	6	32
December 2, 2000	10	2	17	34	15
December 6, 2000	17	33	24	34	3
December 9, 2000	37	27	17	4	31
December 13, 2000	36	35	13	37	4
December 16, 2000	26	13	11	18	6
December 20, 2000	18	35	11	28	27
December 23, 2000	30	22	16	37	20
December 27, 2000	14	32	28	15	24
December 30, 2000	32	17	35	18	37
January 3, 2001	26	6	3	25	31
January 6, 2001	37	32	8	18	7
January 10, 2001	2	37	29	6	18
January 13, 2001	22	34	11	7	23
January 17, 2001	1	6	21	34	26
January 20, 2001	23	24	7	9	14
January 24, 2001	18	37	36	8	7
January 27, 2001	3	23	13	7	35
January 31, 2001	27	16	2	30	9
February 3, 2001	26	2	13	36	7
February 7, 2001	34	33	3	20	10
February 10, 2001	22	25	33	21	29
February 14, 2001	14	9	27	7	37
February 17, 2001	12	8	28	36	26
February 21, 2001	4	13	1	33	23
February 24, 2001	33	26	1	3	8
February 28, 2001	17	23	27	5	3
March 3, 2001	13	27	14	12	33
March 7, 2001	19	35	16	11	26
March 10, 2001	21	37	20	25	5
March 14, 2001	9	17	15	34	7
March 17, 2001	22	28	35	24	30
March 21, 2001	28	35	23	3	24
March 24, 2001	13	24	25	9	34
March 28, 2001	15	2	13	12	23
March 31, 2001	33	21	25	28	23
April 4, 2001	10	26	14	17	23
April 7, 2001	5	34	33	10	23

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS (CONTINUED)
Year Ended June 30, 2001

April 11, 2001	7	16	37	24	12
April 14, 2001	32	23	25	13	10
April 18, 2001	10	25	14	24	6
April 21, 2001	24	33	10	18	2
April 25, 2001	30	11	25	31	20
April 28, 2001	4	8	19	11	34
May 2, 2001	15	27	7	32	2
May 5, 2001	11	5	34	9	30
May 9, 2001	35	31	24	27	34
May 12, 2001	34	30	2	31	8
May 16, 2001	12	32	6	24	29
May 19, 2001	14	19	8	36	34
May 23, 2001	9	29	1	7	34
May 26, 2001	20	31	1	21	9
May 30, 2001	29	18	21	24	27
June 2, 2001	17	36	22	10	26
June 6, 2001	12	21	15	30	1
June 9, 2001	4	32	15	17	5
June 13, 2001	28	36	22	30	21
June 16, 2001	32	20	24	2	8
June 20, 2001	34	16	14	6	36
June 23, 2001	25	14	29	28	8
June 27, 2001	8	29	5	13	15
June 30, 2001	13	29	15	11	34